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C O N F I D E N T I A L SECTION 01 OF 02 BASRAH 000103

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SUBJECT: UPDATE ON BASRAH INTERNATIONAL AIRPORT

REF: A) 05 BASRAH 130, B) 05 BASRAH 136

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CLASSIFIED BY: Ken Gross, REGIONAL COORDINATOR, REO BASRAH,
DEPARTMENT OF STATE.
REASON: 1.4 (b), (d), (e)

¶1. (U) Summary: The Memorandum of Understanding (MOU) between the Governments of the UK and Iraq was extended for a second time to June 30, 2006. The second extension occurred because certification of the air traffic controllers (ATCs) is still pending, a shortage of fire trucks, issues with the water treatment facility and the lack of functioning generators. The main issue with completing planned and deferred projects is lack of funding. Current operations at the airport consist of 100 scheduled flights per month. The airport employs 375 employees, and revenues are covering all salary costs and beginning to turn a profit. However, all revenue is sent to Baghdad and none is used for renovation or maintenance of the airport. There are still many issues at BIA, but if they can be overcome a functioning international airport in Iraq's second largest city would improve potential for growth. End summary.

ANOTHER EXTENSION GRANTED

¶2. (U) The original MOU between the UK and Iraq was originally set to expire in August 2005; but at the last minute was extended to March 31, 2006. The UK MOD badly desired the MOU to sunset, but in light of inability to stand up fully the required number of certificated air traffic controllers relented and agreed to an extension from March 31 to June 30, 2006.

¶3. (U) The principle reason for the extension is that the ATCs are qualified but have not been certified by the Iraqi Civil Aviation Authority (ICAA). The Director of BIA, Abdul Razzak, is encouraging the appropriate authorities in Baghdad to certify them as soon as possible. The hold-up in certification is the inability to coordinate the required physicals and medical examinations for the ATCs by the Ministry of Transportation and the Ministry of Health. All other requirements for certification have been met. As soon as the seven ATCs are certified by the ICAA there will be enough manpower to cover two full daylight ATC shifts as required by the MOU.

¶4. (U) During a meeting with Abdul Razzak on May 29, he told poloff that specifications for the airport indicate that the airport should have four vehicles in the fire service. Originally, the USG purchased and shipped a number of fire trucks to Basrah at about \$450K each. However, upon arrival it was discovered that 2 of the trucks were the wrong type of fire truck. The fire trucks that were purchased were suited for oil fires and did not meet specifications for trucks needed at an

airfield. The shortage of fire trucks is another reason for the extension. The BIA fire service is currently using a fire truck on loan from the Iraqi Air Force, which will be returned when they receive its own. IRMO is working to replace the non-conforming trucks with proper vehicles but no delivery date is yet known.

¶5. (U) Although the terminal and cargo facility are not covered under the MOU, the Iraqi authorities will not take responsibility for those buildings until they are refurbished to the state they were in when the military moved into them in ¶2003. There is currently a US \$500,000 project underway to fix doors, paint, install carpet and windows and replace furniture. Originally, the British wanted to return the control of the terminal and cargo shed to Abdul Razzak with the promise of repairs, but he refused to accept transfer until the renovations were completed. The renovation project is expected to be finished before June 30. At the last BIA Development Conference held on May 14, the Chairman noted that funding for projects as well as availability of power and water were the real issues for the airport. However, he was optimistic that the various agencies involved were working together to coordinate funding strategies and projects would move forward.

CURRENT CAPACITY AND OPERATIONS

¶6. (U) The commercial airport is open from sunrise to sunset seven days a week. The airport currently has 100 scheduled flights per month. June marks BIA's one-year anniversary of renewed commercial operations. When the airport first re-opened a year ago, it was only running six scheduled flights per month. There are three commercial operators provide service into and out of BIA: Iraqi Airways, Jupiter Airlines and Royal Jordanian Airlines. From Basrah, passengers can fly to Baghdad, Dubai and Amman.

¶7. (U) The airport currently has 375 government employees working in various sections of the airport including immigration, customs, a medical center, a meteorological center,

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a bank, fuel supply and other sectors. The Department of Border Enforcement handles security for the airport, and has 158 officers stationed at BIA with the hope of increasing that number to 240 in the near future. The airport's revenues cover all salary costs and recently began to turn a profit. All revenue is sent to the Ministry of Finance in Baghdad and none of the revenue is used for reconstruction or maintenance of the airport. The tower continues to use British military communications equipment; the Iraqis do not have any of their own. Replacement communication equipment are included in planned IRMO projects.

¶8. (SBU) A contentious issue between MND-SE and BIA authorities is the water treatment facility. The treatment facility, as well as the pipes to distribute the water, are quite old and in need of renovation. There have been several projects to repair various portions of the treatment facility, but the work was reportedly less than excellent, and unless the plant is renovated properly, the system will not work. The projects have been stalled due to lack of funding. BIA's current water treatment facility that water from a nearby canal and treats it and then stores it in a reservoir. The British military pulls a large volume of processed water from the reservoir for its use. During a meeting with REO poloff on May 29, Abdul Razzak explained that 40 percent of the treated water is kept to fight fires and that 60 percent is potable water. He complained that the military takes 80-90 percent of the potable water for its own use. (Note: IRMO Transportation Officer based at BAS puts the number closer to 60 percent; IRMO does have a planned collaborative project, with some UK funding to renovate the water treatment facility. The plant is critical for cooling, provision of fire suppression water, as well as the aforementioned potable water supplies. End Note.)

REMAINING ISSUES

¶9. (SBU) According to Abdul Razzak, the four biggest issues facing the airport are lack of navigation aid systems (NAVAIDS), the need for runway lights and availability of both power and water. There is an urgent need to sort out the issues with the water treatment facility and the generators that provide water and air conditioning to the terminals. Temperatures in Basrah during the summer months reach 130 degrees Fahrenheit. The idea of passengers waiting in a terminal without air conditioning is a major concern. Funding is the major issue with completing projects, and another is the lack of local contractors who have the specialized expertise to do the work. According to Abdul Razzak, funding for runway lights has been approved but he wants to make sure that the contract goes to a company that is specialized in putting in this type of equipment. He said that this kind of expertise will have to come from outside of Iraq. Planned future destinations from BIA include Tehran, Damascus, Cairo and London. However, expansion of service is unlikely until the airport fully meets international standards for operational safety and security, and has expanded and completed most renovations. A revised draft MOU, which would extend some provisions of the existing MOU, has been provided to Mr. Razzak for comment, but he has expressed uneasiness about the "phased" transition it contains. The new MOU, if agreed, would extend some provisions of the current MOU through the end of 2006.

COMMENT

¶10. (C) Comment: There are still many issues to be overcome at BIA. A main issue is a lack of funding to complete the various projects, including installation of a radar deferred in Fall ¶2005. Abdul Razzak wants to meet the requirements of the MOU to take control of the commercial operations at the airport. However, some of the intervening issues are contingent on things that are out of his control. Although there is consensus in a desire for the MOU to end on June 30, the safety and liability issues related to transition of air traffic control to the Iraqis are compelling reasons to move deliberately. The UK appears to be moving in the right direction but it is unlikely that all required issues will be sorted out in the next two and a half weeks. The MOU likely will either be extended, or the new draft will be negotiated and executed. There is no doubt that a fully conforming, functioning international airport in Iraq's second largest city would greatly improve Basrah's potential for continued growth. End comment.
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